I certify this to be a true and correct copy of the indicated document as referred or transmitted to committee.

Chief Clerk of the House

FLED FEB 1 3 2003

By: Robert Prente

H.B. No. 915

A BILL TO BE ENTITLED

AN ACT 1 relating to the plugging of abandoned or deteriorated water wells. 2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 3 is SECTION 1. Section 1901.053(a), Occupations Code, Δ amended to read as follows: 5 Except as provided by Section 1901.256, the [The] 6 department shall deposit money collected under this chapter to the 7 credit of the water well drillers account in the general revenue 8 fund. Money deposited in that account under this section may be 9 used only to administer this chapter. 10 SECTION 2. Subchapter F, Chapter 1901, Occupations Code, is 11 amended by adding Section 1901.256 to read as follows: 12 Sec. 1901.256. WATER WELL PLUGGING ACCOUNT. (a) 13 department may assess a fee for each well drilled in an amount 14 determined by department rule for the purpose of plugging abandoned 15 or deteriorated wells. 16 (b) The department shall deposit a fee assessed under this 17 section to the credit of the water well plugging account. The water 18 well plugging account is an account in the general revenue fund that 19 may be appropriated to the department only for the purpose of 20 plugging abandoned or deteriorated wells. The department may 21 allocate not more than 20 percent of the money in the account to 22 cover administrative costs of the department. The account is exempt 23

from the application of Section 403.095, Government Code.

1	(c) The department may use money in the account to plug an
2	abandoned or deteriorated well only if the department determines
3	that the landowner or other person possessing the well:
4	(1) cannot be located; or
5	(2) does not have sufficient assets to plug the well as
6	determined by criteria established by department rule.
7	SECTION 3. The fee authorized by Section 1901.256,
8	Occupations Code, as added by this Act, applies only to a water well
9	for which initial drilling operations begin on or after the date the
10	Texas Department of Licensing and Regulation adopts rules providing
11	for the assessment of the fee.
12	SECTION 4. This Act takes effect immediately if it receives
13	a vote of two-thirds of all the members elected to each house, as
14	provided by Section 39, Article III, Texas Constitution. If this
15	Act does not receive the vote necessary for immediate effect, this
16	Act takes effect September 1, 2003.

HOUSE COMMITTEE REPORT HAILSF OF REPRESENTATIVES

1st Printing

By: Puente H.B. No. 975

Substitute the following for H.B. No. 975:

By: Puente C.S.H.B. No. 975

A BILL TO BE ENTITLED

AN ACT 1 relating to the plugging of abandoned or deteriorated water wells. 2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 3 SECTION 1. Section 1901.053(a), Occupations Code, amended to read as follows: 5 Except as provided by Section 1901.256, the [The] 6 department shall deposit money collected under this chapter to the 7 8 credit of the water well drillers account in the general revenue fund. Money deposited in that account under this section may be 9 used only to administer this chapter. 10 SECTION 2. Section 1901.101(b), Occupations Code, 11 is 12 amended to read as follows: (b) One member appointed under Subsection (a)(1) must be 13 selected from the state at large and the remaining five driller 14 members must be selected from each of the following geographic 15 16 areas of the state, as defined by department rule: (1) Gulf Coast area: 17 (2)Trans-Pecos area; 18 Central Texas area; (3) 19 (4) Northeast Texas area; and 20 (5) Panhandle-South Plains area. 21 SECTION 3. Subchapter F, Chapter 1901, Occupations Code, is 22 amended by adding Section 1901.256 to read as follows: 23

Sec. 1901.256. WATER WELL PLUGGING ACCOUNT. (a)

The

- 1 department may assess a fee for each well drilled in an amount
- 2 determined by department rule for the purpose of plugging abandoned
- 3 or deteriorated wells.
- 4 (b) The department shall deposit a fee assessed under this
- 5 section to the credit of the water well plugging account. The water
- 6 well plugging account is an account in the general revenue fund that
- 7 may be appropriated to the department only for the purpose of
- 8 plugging abandoned or deteriorated wells. The account is exempt
- 9 from the application of Section 403.095, Government Code.
- 10 (c) The account consists of five subaccounts corresponding
- 11 to the geographic areas described in Section 1901.101(b). The fee
- for each well drilled in a geographic area shall be deposited to the
- 13 credit of the subaccount established for that geographic area.
- 14 Fees in a subaccount may be used only to pay:
- 15 (1) the administrative costs of the department;
- 16 (2) the costs of plugging high priority or hazardous
- 17 wells, as defined by department rule, located anywhere in the
- 18 state; and
- 19 (3) the costs of plugging wells, other than high
- 20 priority or hazardous wells, located in the geographic service area
- 21 for which the subaccount was established.
- 22 (d) The department may allocate not more than:
- 23 (1) 20 percent of the money in the account to pay the
- 24 administrative costs of the department; and
- 25 (2) 10 percent of the money in the account to pay the
- 26 costs of plugging high priority or hazardous wells.
- (e) The department may use money in the account to plug an

- 1 abandoned or deteriorated well only if the department determines
- 2 that the landowner or other person possessing the well:
- 3 (1) cannot be located; or
- 4 (2) does not have sufficient assets to plug the well as
 5 determined by criteria established by department rule.
- (f) The department may transfer money in a subaccount to a groundwater conservation district to be used by the district to plug one or more abandoned or deteriorated wells designated by the department if the department is entitled to use money in that subaccount to plug those wells. From the money transferred, the district may allocate not more than \$50 for each well to pay the district's administrative costs.
- SECTION 4. The fee authorized by Section 1901.256,

 Occupations Code, as added by this Act, applies only to a water well

 for which initial drilling operations begin on or after the

 effective date of the rules adopted by the Texas Department of

 Licensing and Regulation providing for the assessment of the fee.
- SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

COMMITTEE REPORT

The Honorable Tom Craddick Speaker of the House of Representatives

3/26/03

Sir:				
We, your COMMITTEE ON NA	TURAL RESOURCES			
to whom was referredback with the recommendation t	•	have had the sa	ime under conside	ration and beg to report
 () do pass, without amendment () do pass, with amendment (×) do pass and be not printed 	s).	Substitute is recommend	ded in lieu of the o	riginal measure.
(X) yes () no A fiscal not	e was requested.			
() yes (X) no A criminal j	ustice policy impact state	ement was requested.		
() yes (X) no An equaliza	ed educational funding im	npact statement was requ	uested.	
() yes 💢) no An actuaria	ıl analysis was requested	I.		
() yes 🚫 no A water de	velopment policy impact :	statement was requested	ı.	
yes () no A tax equity	y note was requested.			
() The Committee recommen	ds that this measure be s	sent to the Committee on	Local and Conse	nt Calendars.
For Senate Measures: House S	Sponsor			
Joint Sponsors:	,	,	,	
Co-Sponsors:				
00 oponsors.				
The measure was reported from	Committee by the follow AYE	ving vote:	PNV	ABSENT
Puente, Chair	X			:
Callegari, Vice-chair	X		erelline 644 Newsleve von	
Campbell	$X \rightarrow X$			
Cook, R.	X			
Geren	X			
Hamilton	X			
Hardcastle				X
Hope	×			
Wolens				×
L. STARAL L. WALLEY WAYNES	4 - 4 - 1 - 1 - 1 - 1 - 1 - 1 - 1			
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100				
Total 7	1			
	aye	NH N	15-	
	nay	CHAIR	7	
	present, not voting	VI ICHI I		

_ absent

BILL ANALYSIS

C.S.H.B. 975
By: Puente
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Abandoned or deteriorated water wells pose a threat to groundwater resources. Open wells allow contaminants to move through the well and enter an aquifer with no natural filtration by soils or geologic strata and may also allow water from deep aquifers that have a high salt content to contaminate shallow, fresh water aquifers. According to the 2000 interim report to the 77th Legislature by the House Committee on Natural Resources, an estimated 150,000 water wells drilled since 1965 are abandoned or deteriorated. Under current law, landowners or other persons who possess an abandoned or deteriorated well are required to plug or cap the well, but current law does not provide for the plugging of the wells when the landowner cannot be located or does not have sufficient funds. C.S.H.B. 975 creates a water well plugging account and authorizes the Texas Department of Licensing and Regulation (the department) to assess a fee for each new well and to deposit that fee in the account.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Licensing and Regulation in SECTION 2 (Section 1901.101(b), Occupations Code) and SECTION 3 (Section 1901.256, Subchapter F, Occupations Code) of this bill.

ANALYSIS

C.S.H.B. 975 establishes the Water Well Plugging Account in the Occupations Code to be administered by the department. The legislation authorizes the department to assess a fee for each water well drilled in an amount determined by department rule and provides that the fee only applies to water wells for which the initial drilling operations begin on or after the date the department adopts these rules. The bill requires the department to deposit the fee to the credit of the water well plugging account (account), an account in the general revenue fund, that may be appropriated to the department only for the purpose of plugging abandoned or deteriorated wells. The account consists of five subaccounts corresponding to the five geographic areas established by department rule in SECTION 2 of the bill. The bill establishes that the fee shall be collected by geographic area and the fee for each well drilled in a geographic area shall be deposited to the credit of the subaccount established for that geographic area.

The bill prohibits the department from allocating more than 20 percent of the money in the subaccounts for administrative expenses of the department and designates 10 percent of the fee money in the account specifically for plugging high hazardous or high priority water wells anywhere in the state. The costs of plugging wells which are not high priority or hazardous must be billed only to the subaccount for the corresponding geographic area.

The bill authorizes the department to use the money in the account to plug an abandoned or deteriorated water well only if the department determines that the landowner or other person possessing the well cannot be located or does not have sufficient funds to plug the well as determined by criteria established by department rule. The bill provides that the account is exempt from provisions relating to Section 403.095, Government Code.

C.S.H.B. 975 also authorizes the department to transfer money to a groundwater conservation district (the district) to be used to plug abandoned or deteriorated wells that the department would be

C.S.H.B. 975 78(R)

authorized to plug. Money allocated to the district may not exceed \$50 per well for administrative costs of the district.

EFFECTIVE DATE

On passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 975 modifies the original by adding language that outlines five geographic quadrants which will be used as a guide by the department to collect fees. The original did not designate quadrants. The substitute bill also specifies that fees collected on new water wells in a certain quadrant will be returned to that same quadrant for abandoned or deteriorated water well plugging purposes in that quadrant. The original allowed fees collected statewide to be used to plug any water well across the state.

The substitute also adds language allowing 10 percent of the total fees collected to be used to pay for the plugging of high priority or hazardous water wells across the state. Finally, the substitute adds language allowing the department to transfer money to groundwater conservation districts for the plugging of abandoned or deteriorated water wells in the district and caps the amount that may be used to cover administrative costs of the district.

SUMMARY OF COMMITTEE ACTION

HB 975

March 5, 2003 3:00PM or upon final adjourn./recess

Considered in public hearing

Testimony taken in committee (See attached witness list.)

Left pending in committee

March 26, 2003 3:00PM or upon final adjourn./recess

Considered in public hearing

Committee substitute considered in committee

Reported favorably as substituted

WITNESS LIST

HB 975 HOUSE COMMITTEE REPORT Natural Resources Committee

March 5, 2003 - 3:00PM or upon final adjourn./recess

Conner, Bonnie J. (The City of San Antonio, Texas)
Halty, Scott (San Antonio Water System) For:

Mahoney, Mike (TAGD-Evergreen UWCD) On:

Bowers, Richard (North Plains Groundwater Conservation Dist.)

Everheart, Harvey (Mesa Underground Water Conservation

District)

Kuntz Jr., William H. (Texas Department of Licensing

and Regulation) Parham, Lee (TDLR)

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION Revision 1

April 4, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB975 by Puente (Relating to the plugging of abandoned or deteriorated water wells.),

Committee Report 1st House, Substituted

Estimated Two-vear Net Impact to General Revenue Related Funds for HB975, Committee Report 1st House. Substituted: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from New General Revenue Dedicated-Water Well Plugging	Probable Revenue Gain/ (Loss) from New General Revenue Dedicated-Water Well Plugging	Change in Number of State Employees from FY 2003
2004	(\$399,720)	\$399,720	3.0
2005	(\$1,140,520)	\$1,140,520	3.0
2006	(\$1,140,520)	\$1,140,520	3.0
2007	(\$886,770)	\$886,770	3.0
2008	(\$886,770)	\$886,770	3.0

Fiscal Analysis

The bill would authorize a fee on new water wells for the purpose of plugging abandoned and deteriorated water wells. Revenue would be deposited into a new, General Revenue Dedicated Account - Water Well Plugging. The Department of Licensing and Regulation would set the fee by rule. The bill limits administrative costs associated with the program to no more than 20 percent of the fee revenue.

The bill would take effect immediately upon enactment, assuming that it receives the requisite twothirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

The Texas Department of Licensing and Regulation indicates the need for three additional FTEs. One Natural Resource Specialist IV (at \$37,332 per year) would be needed to investigate abandoned well reports and to evaluate bids and plugging specifications for abandoned or deteriorated wells in areas without Ground Water Districts. One Administrative Technician IV (at \$29,232 per year) would be needed to process quarterly payments from water well drillers. One Administrative Technician III (at \$25,932 per year) would be needed to issue and mail quarterly bills to water well drillers. Total costs associated with the three FTEs would be \$145,220 in 2004 and \$123,020 in each following year.

The agency estimates \$254,500 in 2004, \$1,017,500 each year in 2005-06, and \$763,750 in each year in 2007-08 would be needed to cover costs associated with plugging abandoned or deteriorated wells. The agency, with the assistance of Ground Water Districts, would plug 100 wells in 2004, 400 wells each year in 2005-06, and 300 wells each year in 2007-08.

It is assumed the agency would adjust fees to offset any costs associated with implementing provisions of the bill.

Technology

Computers and software would be needed for the additional three Full-time Equivalent Positions (FTEs) totaling \$6,900 in fiscal year 2004. Also, approximately 20,000 water well reports would need to be imaged at a cost of \$1,200 each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

LBB Staff: JK, CL, RT, RB

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 5, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB975 by Puente (Relating to the plugging of abandoned or deteriorated water wells.), As

Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB975. As Introduced: an impact of S0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from New General Revenue Dedicated-Water Well Plugging	Probable Revenue Gain/ (Loss) from New General Revenue Dedicated-Water Well Plugging	Change in Number of State Employees from FY 2003
2004	(\$399,720)	\$399,720	3.0
2005	(\$1,140,520)	\$1,140,520	3.0
2006	(\$1,140,520)	\$1,140,520	3.0
2007	(\$886,770)	\$886,770	3.0
2008	(\$886,770)	\$886,770	3.0

Fiscal Analysis

The bill would amend Chapter 32 of the Water Code to authorize a fee on new water wells for the purpose of plugging abandoned and deteriorated water wells. Revenue would be deposited into a new, General Revenue Dedicated Account - Water Well Plugging. The Department of Licensing and Regulation would set the fee by rule. The bill limits administrative costs associated with the program to no more than 20 percent of the fee revenue.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

The Texas Department of Licensing and Regulation indicates the need for three additional FTEs. One Natural Resource Specialist IV (at \$37,332 per year) would be needed to investigate abandoned well reports and to evaluate bids and plugging specifications for abandoned or deteriorated wells in areas without Ground Water Districts. One Administrative Technician IV (at \$29,232 per year) would be needed to process quarterly payments from water well drillers. One Administrative Technician III (at \$25,932 per year) would be needed to issue and mail quarterly bills to water well drillers. Total costs associated with the three FTEs would be \$145,220 in 2004 and \$123,020 in each following year.

The agency estimates \$254,500 in 2004, \$1,017,500 each year in 2005-06, and \$763,750 in each year in 2007-08 would be needed to cover costs associated with plugging abandoned or deteriorated wells. The agency, with the assistance of Ground Water Districts, would plug 100 wells in 2004, 400 wells each year in 2005-06, and 300 wells each year in 2007-08.

It is assumed the agency would adjust fees to offset any costs associated with implementing provisions of the bill.

Technology

Computers and software would be needed for the additional three Full-time Equivalent Positions (FTEs) totaling \$6,900 in fiscal year 2004. Also, approximately 20,000 water well reports would need to be imaged at a cost of \$1,200 each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller Of Public Accounts, 452 Department Of Licensing And Regulation

LBB Staff: JK, CL, RT, RB

TAX/FEE EQUITY NOTE

78TH LEGISLATIVE REGULAR SESSION

April 4, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

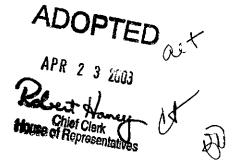
IN RE: HB975 by Puente (), Committee Report 1st House, Substituted

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff:

JK, SJS



By: Puente

Substitute the following for $\underline{\mathsf{H}}$.B. No. 975:

By: Puente

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H.B. No. 975

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the plugging of abandoned or deteriorated water wells.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 1901.053(a), Occupations Code, is 5 amended to read as follows:

- (a) Except as provided by Section 1901.256, the [The] department shall deposit money collected under this chapter to the credit of the water well drillers account in the general revenue fund. Money deposited in that account under this section may be used only to administer this chapter.
- 11 SECTION 2. Section 1901.101(b), Occupations Code, is
 12 amended to read as follows:
- (b) One member appointed under Subsection (a)(1) must be selected from the state at large and the remaining five driller members must be selected from each of the following geographic areas of the state, as defined by department rule:
- 17 (1) Gulf Coast area;
- 18 (2) Trans-Pecos area;
- 19 (3) Central Texas area;
- 20 (4) Northeast Texas area; and
- 21 (5) Panhandle-South Plains area.
- SECTION 3. Subchapter F, Chapter 1901, Occupations Code, is amended by adding Section 1901.256 to read as follows:
- Sec. 1901.256. WATER WELL PLUGGING ACCOUNT. (a) The

- 1 department may assess a fee for each well drilled in an amount
- 2 determined by department rule for the purpose of plugging abandoned
- 3 or deteriorated wells.
- 4 (b) The department shall deposit a fee assessed under this
- 5 section to the credit of the water well plugging account. The water
- 6 well plugging account is an account in the general revenue fund that
- 7 may be appropriated to the department only for the purpose of
- 8 plugging abandoned or deteriorated wells. The account is exempt
- 9 from the application of Section 403.095, Government Code.
- 10 (c) The account consists of five subaccounts corresponding
- to the geographic areas described in Section 1901.101(b). The fee
- for each well drilled in a geographic area shall be deposited to the
- 13 credit of the subaccount established for that geographic area.
- 14 Fees in a subaccount may be used only to pay:
- 15 (1) the administrative costs of the department;
- 16 (2) the costs of plugging high priority or hazardous
- 17 wells, as defined by department rule, located anywhere in the
- 18 state; and
- 19 (3) the costs of plugging wells, other than high
- 20 priority or hazardous wells, located in the geographic service area
- 21 <u>for which the subaccount was established.</u>
- 22 (d) The department may allocate not more than:
- 23 (1) 20 percent of the money in the account to pay the
- 24 administrative costs of the department; and
- 25 (2) 10 percent of the money in the account to pay the
- 26 costs of plugging high priority or hazardous wells.
- (e) The department may use money in the account to plug an

- abandoned or deteriorated well only if the department determines
- 2 that the landowner or other person possessing the well:
- 3 (1) cannot be located; or

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- 4 (2) does not have sufficient assets to plug the well as
 5 determined by criteria established by department rule.
 - (f) The department may transfer money in a subaccount to a groundwater conservation district to be used by the district to plug one or more abandoned or deteriorated wells designated by the department if the department is entitled to use money in that subaccount to plug those wells. From the money transferred, the district may allocate not more than \$50 for each well to pay the district's administrative costs.
- SECTION 4. The fee authorized by Section 1901.256,

 Occupations Code, as added by this Act, applies only to a water well

 for which initial drilling operations begin on or after the

 effective date of the rules adopted by the Texas Department of

 Licensing and Regulation providing for the assessment of the fee.
- SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

ENGROSSED SECOND READING

By: Puente H.B. No. 975

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the plugging of abandoned or deteriorated water wells.
3	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
4	SECTION 1. Section 1901.053(a), Occupations Code, is
5	amended to read as follows:
6	(a) Except as provided by Section 1901.256, the [The]
7	department shall deposit money collected under this chapter to the
8	credit of the water well drillers account in the general revenue
9	fund. Money deposited in that account under this section may be
10	used only to administer this chapter.
11	SECTION 2. Section 1901.101(b), Occupations Code, is
12	amended to read as follows:
13	(b) One member appointed under Subsection (a)(1) must be
L4	selected from the state at large and the remaining five driller
L5	members must be selected from each of the following geographic
l6	areas of the state, as defined by department rule:
17	(1) Gulf Coast area;
18	(2) Trans-Pecos area;
L9	(3) Central Texas area;
20	(4) Northeast Texas area; and
21	(5) Panhandle-South Plains area.
22	SECTION 3. Subchapter F, Chapter 1901, Occupations Code, is
23	amended by adding Section 1901.256 to read as follows:

Sec. 1901.256. WATER WELL PLUGGING ACCOUNT. (a) The

- 1 department may assess a fee for each well drilled in an amount
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- 3 or deteriorated wells.
- 4 (b) The department shall deposit a fee assessed under this
- 5 section to the credit of the water well plugging account. The water
- 6 well plugging account is an account in the general revenue fund that
- 7 may be appropriated to the department only for the purpose of
- 8 plugging abandoned or deteriorated wells. The account is exempt
- 9 from the application of Section 403.095, Government Code.
- 10 (c) The account consists of five subaccounts corresponding
- 11 to the geographic areas described in Section 1901.101(b). The fee
- for each well drilled in a geographic area shall be deposited to the
- 13 credit of the subaccount established for that geographic area.
- 14 Fees in a subaccount may be used only to pay:
- 15 (1) the administrative costs of the department;
- 16 (2) the costs of plugging high priority or hazardous
- 17 wells, as defined by department rule, located anywhere in the
- 18 state; and
- 19 (3) the costs of plugging wells, other than high
- 20 priority or hazardous wells, located in the geographic service area
- 21 for which the subaccount was established.
- 22 (d) The department may allocate not more than:
- 23 (1) 20 percent of the money in the account to pay the
- 24 administrative costs of the department; and
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- 26 costs of plugging high priority or hazardous wells.
- (e) The department may use money in the account to plug an

- 1 abandoned or deteriorated well only if the department determines
- 2 that the landowner or other person possessing the well:
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- 4 (2) does not have sufficient assets to plug the well as
 5 determined by criteria established by department rule.
 - (f) The department may transfer money in a subaccount to a groundwater conservation district to be used by the district to plug one or more abandoned or deteriorated wells designated by the department if the department is entitled to use money in that subaccount to plug those wells. From the money transferred, the district may allocate not more than \$50 for each well to pay the district's administrative costs.
- SECTION 4. The fee authorized by Section 1901.256,

 Occupations Code, as added by this Act, applies only to a water well

 for which initial drilling operations begin on or after the

 effective date of the rules adopted by the Texas Department of

 Licensing and Regulation providing for the assessment of the fee.
- SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

HOUSE ENGROSSMENT

H.B. No. 975 By: Puente

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the plugging of abandoned or deteriorated water wells.
3	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
4	SECTION 1. Section 1901.053(a), Occupations Code, is
5	amended to read as follows:
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8	credit of the water well drillers account in the general revenue
9	fund. Money deposited in that account under this section may be
10	used only to administer this chapter.
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12	amended to read as follows:
13	(b) One member appointed under Subsection (a)(1) must be
14	selected from the state at large and the remaining five driller
15	members must be selected from each of the following geographic
16	areas of the state, as defined by department rule:
17	(1) Gulf Coast area;
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- 2 determined by department rule for the purpose of plugging abandoned
- 3 or deteriorated wells.
- 4 (b) The department shall deposit a fee assessed under this
- 5 section to the credit of the water well plugging account. The water
- 6 well plugging account is an account in the general revenue fund that
- 7 may be appropriated to the department only for the purpose of
- 8 plugging abandoned or deteriorated wells. The account is exempt
- 9 from the application of Section 403.095, Government Code.
- 10 (c) The account consists of five subaccounts corresponding
- 11 to the geographic areas described in Section 1901.101(b). The fee
- for each well drilled in a geographic area shall be deposited to the
- 13 credit of the subaccount established for that geographic area.
- 14 Fees in a subaccount may be used only to pay:
- 15 (1) the administrative costs of the department;
- 16 (2) the costs of plugging high priority or hazardous
- 17 wells, as defined by department rule, located anywhere in the
- 18 state; and
- 19 (3) the costs of plugging wells, other than high
- 20 priority or hazardous wells, located in the geographic service area
- 21 for which the subaccount was established.
- 22 (d) The department may allocate not more than:
- 23 (1) 20 percent of the money in the account to pay the
- 24 administrative costs of the department; and
- 25 (2) 10 percent of the money in the account to pay the
- 26 costs of plugging high priority or hazardous wells.
- (e) The department may use money in the account to plug an

- 1 abandoned or deteriorated well only if the department determines
- 2 that the landowner or other person possessing the well:
- 3 (1) cannot be located; or

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- 4 (2) does not have sufficient assets to plug the well as
 5 determined by criteria established by department rule.
 - (f) The department may transfer money in a subaccount to a groundwater conservation district to be used by the district to plug one or more abandoned or deteriorated wells designated by the department if the department is entitled to use money in that subaccount to plug those wells. From the money transferred, the district may allocate not more than \$50 for each well to pay the district's administrative costs.
- SECTION 4. The fee authorized by Section 1901.256,

 Occupations Code, as added by this Act, applies only to a water well

 for which initial drilling operations begin on or after the

 effective date of the rules adopted by the Texas Department of

 Licensing and Regulation providing for the assessment of the fee.
- SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

Revision 1

April 4, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB975 by Puente (Relating to the plugging of abandoned or deteriorated water wells.),

Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB975, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from New General Revenue Dedicated-Water Well Plugging	Probable Revenue Gain/ (Loss) from New General Revenue Dedicated-Water Well Plugging	Change in Number of State Employees from FY 2003
2004	(\$399,720)	\$399,720	3.0
2005	(\$1,140,520)	\$1,140,520	3.0
2006	(\$1,140,520)	\$1,140,520	3.0
2007	(\$886,770)	\$886,770	3.0
2008	(\$886,770)	\$886,770	3.0

Fiscal Analysis

The bill would authorize a fee on new water wells for the purpose of plugging abandoned and deteriorated water wells. Revenue would be deposited into a new, General Revenue Dedicated Account - Water Well Plugging. The Department of Licensing and Regulation would set the fee by rule. The bill limits administrative costs associated with the program to no more than 20 percent of the fee revenue.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

The Texas Department of Licensing and Regulation indicates the need for three additional FTEs. One Natural Resource Specialist IV (at \$37,332 per year) would be needed to investigate abandoned well reports and to evaluate bids and plugging specifications for abandoned or deteriorated wells in areas without Ground Water Districts. One Administrative Technician IV (at \$29,232 per year) would be needed to process quarterly payments from water well drillers. One Administrative Technician III (at \$25,932 per year) would be needed to issue and mail quarterly bills to water well drillers. Total costs associated with the three FTEs would be \$145,220 in 2004 and \$123,020 in each following year.

The agency estimates \$254,500 in 2004, \$1,017,500 each year in 2005-06, and \$763,750 in each year in 2007-08 would be needed to cover costs associated with plugging abandoned or deteriorated wells. The agency, with the assistance of Ground Water Districts, would plug 100 wells in 2004, 400 wells each year in 2005-06, and 300 wells each year in 2007-08.

It is assumed the agency would adjust fees to offset any costs associated with implementing provisions of the bill.

Technology

Computers and software would be needed for the additional three Full-time Equivalent Positions (FTEs) totaling \$6,900 in fiscal year 2004. Also, approximately 20,000 water well reports would need to be imaged at a cost of \$1,200 each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

LBB Staff: JK, CL, RT, RB

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 5, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB975 by Puente (Relating to the plugging of abandoned or deteriorated water wells.), As

Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB975, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0 ₁
2005	\$0
2006	\$0;
2007	\$0
2008	\$0]

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from New General Revenue Dedicated-Water Well Plugging	Probable Revenue Gain/ (Loss) from New General Revenue Dedicated-Water Well Plugging	Change in Number of State Employees from FY 2003
2004	(\$399,720)	\$399,720	3.0
2005	(\$1,140,520)	\$1,140,520	3.0
2006	(\$1,140,520)	\$1,140,520	3.0
2007	(\$886,770)	\$886,770	3.0
2008	(\$886,770)	\$886,770	3.0

Fiscal Analysis

The bill would amend Chapter 32 of the Water Code to authorize a fee on new water wells for the purpose of plugging abandoned and deteriorated water wells. Revenue would be deposited into a new, General Revenue Dedicated Account - Water Well Plugging. The Department of Licensing and Regulation would set the fee by rule. The bill limits administrative costs associated with the program to no more than 20 percent of the fee revenue.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

The Texas Department of Licensing and Regulation indicates the need for three additional FTEs. One Natural Resource Specialist IV (at \$37,332 per year) would be needed to investigate abandoned well reports and to evaluate bids and plugging specifications for abandoned or deteriorated wells in areas without Ground Water Districts. One Administrative Technician IV (at \$29,232 per year) would be needed to process quarterly payments from water well drillers. One Administrative Technician III (at \$25,932 per year) would be needed to issue and mail quarterly bills to water well drillers. Total costs associated with the three FTEs would be \$145,220 in 2004 and \$123,020 in each following year.

The agency estimates \$254,500 in 2004, \$1,017,500 each year in 2005-06, and \$763,750 in each year in 2007-08 would be needed to cover costs associated with plugging abandoned or deteriorated wells. The agency, with the assistance of Ground Water Districts, would plug 100 wells in 2004, 400 wells each year in 2005-06, and 300 wells each year in 2007-08.

It is assumed the agency would adjust fees to offset any costs associated with implementing provisions of the bill.

Technology

Computers and software would be needed for the additional three Full-time Equivalent Positions (FTEs) totaling \$6,900 in fiscal year 2004. Also, approximately 20,000 water well reports would need to be imaged at a cost of \$1,200 each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller Of Public Accounts, 452 Department Of Licensing And Regulation

LBB Staff: JK, CL, RT, RB

TAX/FEE EQUITY NOTE

78TH LEGISLATIVE REGULAR SESSION

April 4, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB975 by Puente (), Committee Report 1st House, Substituted

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff:

JK, SJS

•	075	
H.B. No.	411	

OTHER SENATE ACTION:

A BILL TO BE ENTITLED AN ACT

Ву	RoberthPuento	

relating to the plugging of abandoned or deteriorated water wells.

FEB 1 3 2003	Filed with the Chief Clerk
EB 1 9 2003	Read first time and referred to Committee on Natural Resources
MAR 2 6 2003	Reported favorably (communical)
APR 0 8 2003	(as substituted) Sent to Committee on (Calendars) (Associated Committees)
APR 2 31 2009	Read second time (comm. subst.) (manufall); passed to third reading (falled) by a (non-record vote)
	Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of yeas, present, not voting
APR 2 4 2003	Read third time (record vote of 142 yeas, B nays, 3 present, not voting)
APR 2 5 2003	Engrossed
APR 2 5 2003	_ Sent to Senate
OTHER HOUSE ACTION	ON:
APR 2 5 2003 APR 2 8 2003	Received from the House
APR 2 0 2003	Read and referred to Committee onNATURAL RESOURCES
	Reported favorably
	Reported adversely, with favorable Committee Substitute; Committee Substitute read first time
	Ordered not printed
	Laid before the Senate
	Senate and Constitutional Rules to permit consideration suspended by (unanimous consent) (
	Read second time,, and passed to third reading by (unanimous consent) (a viva voce vote) (
	Senate and Constitutional 3 Day Rules suspended by a vote of yeas, nays
	Read third time,, and passed by (a viva voce vote) (yeas, nays)
	Returned to the House SECRETARY OF THE SENATE

	Returned from the Senate (as substituted) (with amendments)
	House concurred in Senate amendments by a (non-record vote)
	(record vote of yeas, nays, present, not voting)
	House refused to concur in Senate amendments and requested the appointment of a conference committee by a (non-record vote) (record vote of yeas, nays, present, not voting
	House conferees appointed:, Chair;,
·	
	Senate granted House request. Senate conferees appointed:, Chair
	Conference committee report adopted (rejected) by the House by a (non-record vote)
	(record vote of yeas, nays, present, not voting)
	Conference committee report adopted (rejected) by the Senate by a (viva voce vote) (record vote of yeas, nays)

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SIP